Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
A281.9
F76Fm

U. S. DEPARTMENT OF AGRICULTURE

UNITED STATES VARIETY MEATS in world markets

FAS M- 43

FOREIGN AGRICULTURAL SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE
OCTOBER 1958

CONTENTS

	Page
INTRODUCTION	1
SUMMARY	2
EXPORTING COUNTRIES:	
United States	3
Markets	4
Restrictions	5
Outlook	5
Denmark	6
New Zealand	7
Argentina	7
Australia	8
Markets	9
Canada	9
Ireland	10
Uruguay	11
Brazil	11
IMPORTING COUNTRIES:	
West Germany	12
U.S. Position	12
Sanitary Regulations	12
Competition	13
Netherlands	13
United Kingdom	14
France	15
Sweden	15
Italy	16
Switzerland	17
APPENDIX	17

Agriculture-Washington

UNITED STATES VARIETY MEATS IN WORLD MARKETS

Livestock and Meat Products Division
Foreign Agricultural Service

INTRODUCTION

Exports of U.S. variety meats[1] have shown such a spectacular increase in recent years and have become so important to the U.S. livestock industry that an analysis of the trade among major producers, exporters, and importers has been made to show the U.S. position in world markets. This analysis and all of the tables are based on statistical information and other material published by foreign governments, plus reports and correspondence from U.S. agricultural attachés abroad.

In the course of the study, it was found that there are limitations in the statistical information available. Statistical problems included the following:

1. The variety meat classification--"offals" as they are known to the rest of the world--varies from country to country. So does the reporting of on-farm and small-abattoir slaughter.

2. The complexities of foreign trade result in forther inconsistencies. For example, the Netherlands buys frozen U.S. variety meats, some processed, some not, and re-exports them.

3. Statistics from some countries may include variety meats preserved by other means. However, this report is directed at the trade in fresh and frozen variety meats, since most U.S. exports are in that form.

4. Variety meats exported by the United States to the Netherlands and then re-exported are shown by the United States as exports to the Netherlands, but the consuming country, i.e., West Germany, may show them as imports from the United States. Thus, West Germany reported imports from the United States in 1956 at 34.5 million pounds, whereas the United States reported 1956 exports to that country of only 27.0 million pounds.

1/ Variety meats include the following: Brains, cheek and head meat, ears, tongues, palates, lungs, lips, gullet meat, hearts, livers, kidneys, spleens, sweetbreads, tripe, weasands, spinal cords, and tails. Those of importance in foreign trade are limited to livers, hearts, tongues, and kidneys. Of these, pork livers are the most important U.S. export.

SUMMARY

Since World War II, the trade in variety meats has been highly organized in most large meat exporting and importing countries. Some of the factors contributing to the expansion of the trade are (a) improved marketing facilities in both importing and exporting countries, (b) increased consumption in importing countries resulting from continuous prosperity and, (c) increased production and low prices making it possible for the low income group to consume more variety meats.

The United States in recent years has come to be the largest producer and exporter of variety meats. Exports climbed to record highs in 1956, but in 1957 and 1958 the upward trend leveled off and then declined substantially, because of reduced slaughter in the United States and increased production in importing countries.

Both production and exports of foreign countries are increasing, with the general trend toward still higher production. Improved agricultural conditions and cheap feeds are largely responsible for this production rise. Also, in some countries government policies have stimulated production and exports.

Nearly every importing country imposes some form of restriction on variety meat imports, and many of them are directed primarily at the United States. Some of these restrictions have been severe; however, West Germany has taken special measures to reduce them, thus permitting the expansion of trade.

The largest world markets for variety meats are in Europe. The major producers and exporters are the United States, Argentina, New Zealand, Australia, Denmark, and Ireland. Traditionally, Australia, New Zealand, and Argentina supply beef variety meats to the large United Kingdom market, some under long-term trade agreements. Most United Kingdom pork imports are from Denmark and other European sources. In other European countries more pork variety meats are consumed than beef, with the United States and Denmark the largest suppliers.

World production of variety meats is growing and so is competition. Also, the potential for increased world livestock production is considerable. Africa has a large underdeveloped capacity and production in Latin America can be boosted with more efficient methods. Elimination of liver-fluke in Oceania would permit greater exports from that area. U.S. variety meat exports, therefore, may be faced with greater competition.

Some of this increased production is taking place in importing countries. Since World War II, almost every European country has tried to become self-sufficient in livestock products. For example, increased pork production, coupled with lower prices, in Western Europe during 1957 and 1958 was the main reason for reduced U.S. variety meat exports to that area. U.S. exports in 1957 were down 8 percent from 1956 and this year the drop has been even more substantial. Furthermore, exports of U.S. variety meats have been restricted

in many of the potential consuming countries by lack of marketing facilities--namely, handling, distribution, and refrigeration.

EXPORTING COUNTRIES

The major producers and exporters of variety meats are the United States, Denmark, New Zealand, Argentina, and Australia. Of secondary importance are Canada, Ireland, Brazil, and Uruguay. Soviet Russia and the Satellites are not included because of the inadequacy of available information.

In the following sections, production, consumption, and exports of variety meats in each of these countries are discussed.

The United States

The United States is the world's largest producer and exporter of variety meats. In 1956, it accounted for nearly 40 percent of the commercially important world production and 32 percent of world exports. And in that same year, variety meats constituted 35 percent of total U.S. meat exports, by weight, and 25 percent, by value, bringing U.S. livestock producers over $18.5 million.

Table 1.--U.S. red and variety meats: Population trends, production, consumption, exports, and per capita consumption, annual 1950-58

Year	U.S. population (mid-year)	Production		Consumption	Exports	Per capita consumption	
		Red meat	Variety meat	Variety meat		Variety meat	Red meat
	Mil.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Lb.
1950...	151.7	22,075	1,519	1,528	3	10.2	144.6
	Mil.	Percent of 1950	Percent of 1950	Percent of 1950	Percent of 1950	Percent of 1950	Percent of 1950
1951...	102.7	99.2	99.8	98.0	200.0	97.0	95.4
1952...	103.5	104.2	103.8	103.1	133.0	100.9	101.0
1953...	105.2	111.8	112.1	110.7	967.0	105.8	107.4
1954...	107.0	114.2	114.7	111.0	1,533.0	104.9	107.0
1955...	108.9	121.8	121.9	116.7	2,333.0	107.8	112.6
1956...	110.8	127.1	127.2	121.2	3,300.0	109.8	115.4
1957...	112.8	122.0	123.1	(1/)	3,040.0	(1/)	110.0
1958 2/	115.0	121.3	(1/)	(1/)	3,267.0	(1/)	106.5

1/ Not available. 2/ Estimated.

Until a few years ago, the export trade in variety meats was relatively unimportant. In 1952 it amounted to around 4 million pounds. But by 1956-57, U.S. exports were averaging 95 million pounds. The U.S. share of total world exports increased too. From 3.1 percent in 1952, it reached 26.4 percent in 1955 and 31.8 percent in 1956, with a slight increase to 34.7 percent in 1957.

The main reason for these mounting export sales of variety meats is U.S. prosperity. The U.S. consumer, with more money to spend, is buying more meat and this has resulted in greatly increased meat production. At the same time, he has become more selective in the meat he buys. Although per capita consumption of red meat increased 15.4 percent in 1956 over 1950, variety meat consumption increased only 9.8 percent during the same period.

The low consumption of variety meats in the United States, plus increased meat production, reduced prices and created a surplus problem which found a solution in the export market. This has meant a gain not only for livestock and feedgrain producers but for the U.S. consumer in that it has helped maintain domestic meat prices and guaranteed a steady supply of red meat.

Markets

More than 85 percent of U.S. variety meat exports in 1956 went to Western Europe, 10 percent to North America--principally Canada and Mexico--4.6 percent to Asia, and 0.1 percent to South America. That same year, the Netherlands and West Germany, which have been the two best markets for U.S. variety meats in recent years, imported more than 72 percent of total U.S. exports.

Table 2.--Variety meats: U.S. production and exports by country of destination, annual 1952-57, Jan.-June 1957 and 1958

Country	1952	1953	1954	1955	1956	1957	Jan.-June 1957	Jan.-June 1958
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production	1,577	1,704	1,743	1,853	1,933	1,880	900	865
Exports:								
Canada	1.5	4.3	4.6	5.5	6.1	5.7	3.4	.4
Mexico	---	---	.8	2.7	2.6	2.0	1.1	.4
France	.3	1.8	2.3	2.8	3.9	3.4	1.4	1.3
West Germany	---	2.8	7.4	15.1	27.0	25.5	11.2	6.8
Netherlands	2.1	19.1	28.7	37.4	45.0	36.4	19.5	14.1
United Kingdom	---	---	---	1.9	2.4	4.6	1.7	1.7
Sweden	---	---	---	1.4	4.2	3.6	1.4	1.0
Hongkong	---	---	---	.1	3.1	3.2	2.2	1.0
Other countries	.3	1.0	1.9	2.6	5.1	6.8	3.9	.5
Total exports	4.2	29.0	45.7	69.5	99.4	91.2	45.8	27.2

Responsible for these large exports of variety meats to Western Europe were competitive U.S. prices, high quality, more extensive inspection methods in West Germany, and the fact that the United States offers a continuous source of supply. Perhaps even more important is the growing prosperity in Europe, which has resulted in increased purchasing power for the average consumer.

Nevertheless, exports of U.S. variety meats dropped off somewhat in 1957, totaling 91.2 million pounds as against 99.4 the previous year. At the same time, the U.S. share of world exports rose from 31.8 percent in 1956 to 34.7 last year. The year 1958 will see a drop in total U.S. exports.

Largely responsible for declining sales was reduced U.S. slaughter in 1957 and 1958, which resulted in higher prices for U.S. variety meats; and the price factor, coupled with increased production in meats in other exporting and importing countries, reduced U.S. exports substantially. During the first half of 1958, U.S. exports of variety meats dropped 40.7 percent from the same period of last year. The overall decline of 40.7 percent was reflected in specific export decreases of 39.3 percent to West Germany, the largest market, 27.7 percent to the Netherlands, 88.9 percent to Canada, 68.7 percent to Mexico, 28.6 percent to Sweden, and 51.2 percent to all other destinations.

Restrictions

U.S. exports undoubtedly would be considerably larger were it not for the restrictions imposed by importing countries. Nearly every country that buys variety meats, particularly in Western Europe, imposes some form of restriction on imports, and many of these are directed primarily at the United States. These restrictions serve three general purposes--protection, conservation of foreign exchange, and disease-sanitation control; and they include such devices as import duties, foreign exchange control, barter agreements, subsidized domestic production, import quotas, preferential trade agreements, and sanitary regulations. They all have become firmly established, and their positive effect in restricting trade in meat and meat products has, with the exception of West Germany, been more pronounced in recent years.

U.S. pork variety meats are barred in many countries because of the use of live hog cholera vaccine in some States. The United Kingdom, Canada, Barbados, British Guiana, Colombia, Ireland, Sweden, Belgium, Austria, Trinidad, British Honduras, and Jamaica prohibit importation of fresh pork products from the United States. As soon as the use of this vaccine is completely banned in the United States, new markets for U.S. pork variety meats may open.

Outlook

On the basis of steadily rising population in the United States, and a continued high standard of living, the outlook for U.S. meat production, consumption, and exports appears to be as follows:

1. Red meat production and consumption and variety meat production will continue to increase simultaneously.

2. Per capita consumption of variety and red meats will remain at present levels, although total consumption will increase with population growth.

3. The surplus of variety meats will increase, but this surplus will continue to be exported.

4. If U.S. livestock production does not keep pace with growing domestic consumption of red meat, domestic surpluses of variety meats will level off or even diminish, and more imports will be required.

5. The most immediate problem is to increase variety meat exports in the face of growing world competition and marketing problems.

Denmark

Denmark ranks second to the United States as an exporter of variety meats Primarily a hog producer, it is the largest U.S. competitor in the West German pork liver market. Also, the Danish chilled product commands a better price than the U.S. frozen product.

The principal market for Danish variety meats is West Germany, with the United Kingdom the largest buyer of pork liver, hearts, and kidneys. Although the major share of the Danish exports of fresh and frozen variety meats is concentrated in a few markets, small shipments are sent to a number of different markets.

While Danish hog slaughter is expected to decline from the current peak, an increase in beef production is anticipated, so that no decline in variety meat production is expected. The percentage of variety meats exported will undoubtedly increase this year over 1957.

Table 3.--Variety meats: Danish production and exports by country of destination, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	57.7	67.4	72.3	77.5	75.0	(1/)
Exports:						
West Germany.....	(1/)	(1/)	31.4	25.1	24.2	27.6
United Kingdom.....	(1/)	(1/)	8.3	11.0	11.6	11.0
France.....	(1/)	(1/)	.7	1.6	2.0	1.1
Other countries....	(1/)	(1/)	15.1	18.9	11.7	13.2
Total exports....	29.8	42.6	55.5	56.6	49.5	52.9

1/ Not available.

New Zealand

While New Zealand ranks third among the countries exporting variety meats, its shipments in 1957, totaling 40.3 million pounds, were considerably below those of the United States. However, slaughter is expected to increase 2 percent a year, so that the upward trend in exports is likely to continue. Nearly 90 percent of the country's variety meat exports go to the United Kingdom without benefit of a long-term agreement with that country.

One great factor in New Zealand is the disease situation. Hydatids, a form of tapeworm which leaves cysts in livers, lungs, and other parts, is very serious. A government report indicates that in recent years about 80 percent of lamb livers at export slaughterhouses have been affected, so that half have had to be condemned annually. Practically all adult cow and adult sheep livers were condemned, about 40 percent of young beef cattle livers, and 20 percent of pig livers. Based on U.K. prices, this loss amounted to nearly $3.4 million.

Table 4.--Variety meats: New Zealand production and exports by country of destination, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	47.9	50.4	54.2	60.5	63.6	67.9
Exports:						
United Kingdom....	1/32.3	1/26.8	30.7	31.4	37.0	(2/)
Other countries...	3.8	3.4	2.9	3.8	5.3	(2/)
Total exports...	36.1	30.2	33.6	35.2	42.3	40.3

1/ Estimated. 2/ Not available.

Argentina

Argentina is a major U.S. competitor, particuarly in beef variety meats. The volume of pork variety meats sold abroad is small, but these are of good quality so that Argentine Pork livers are preferred for certain uses. But on the whole, the tender, small U.S. pork livers are favored by most importing countries. Nearly all the beef variety meats go to the United Kingdom, while France takes most of the pork variety meats.

Argentina's variety meat exports reached a peak of 80.2 million pounds in 1956, then dropped to 39.6 millions last year. Further increases in meat production and variety meat exports are not anticipated in the near future. Argentine meat production reached new highs in recent years--probably abnormally high since the cattle population has started to decline. And

currently high corn prices are restricting hog raising. However, most of Argentina's production of variety meats goes into export trade; red-meat prices are so low that Argentinians are disdainful of "offal" meats, with the result that consumption is less than 5 pounds per capita a year, compared with 11 pounds in the United States, also considered a low figure.

Table 5.--Variety meats: Argentine production and exports by country of destination, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	139.1	138.7	148.8	180.8	211.0	180.1
Exports:						
United Kingdom....	(1/)	(1/)	39.8	49.2	57.1	(1/)
Italy.....	(1/)	(1/)	3.1	3.4	16.8	(1/)
West Germany.....	(1/)	(1/)	.4	---	3.4	(1/)
Other countries...	(1/)	(1/)	4.2	4.5	2.9	(1/)
Total exports...	29.8	35.8	47.5	57.1	80.2	39.6

1/ Not available.

Australia

Australia's trade in variety meats is increasing faster than domestic meat production. In 1956-57 exports were reported to be up 45 percent from prewar; in contrast, meat production was up only 30 percent. Domestic consumption increased only 20 percent in the same period.

Although a short-term decline in slaughter is now in prospect, an overall, upward trend in exports of variety meats is indicated. Population growth, aided by immigration, is increasing rapidly, and this plus extensive irrigation developments should be accompanied by the production of more red meat and, consequently, more variety meats, for which an export market is essential. Domestic consumption of variety meats, now 8.3 pounds per capita a year, is declining.

Like New Zealand, Australia's output has been affected by disease, mainly liver fluke. But this situation seems to have improved, for exports have mounted in the past 2 years. During the current season export supplies will also be large as a result of the increased slaughter caused by severe drought, but this will be followed by smaller quantities for export in 1958-59. However, supplies from the northern territory, which was not affected by drought, will continue to be large.

Markets

Australia's exports of variety meats go principally to the United Kingdom. They are not included in trade agreements but are the result of a long-established pattern and duty-free entry. This also applies to other Commonwealth countries. Export licenses are usually granted freely.

Exports also go to countries outside the Commonwealth--generally to nearby countries in the Pacific area and in Southeast Asia which are dependent on Australia as a source of supply for numerous food items. Prices to these countries probably vary considerably. Exporters are required to furnish, on a confidential basis, prices to the Australian Meat Board, and the degree of control this board exerts is not readily ascertainable. Apparently, export licenses to these countries are granted freely when prices are favorable, but from the price angle, the United Kingdom will undoubtedly remain the best market.

Table 6.--Variety meats: Australian production and exports 1/ by country of destination, annual 1952-57, and calendar year 1957

Country	1952-53	1953-54	1954-55	1955-56	1956-57	1957 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	124.7	129.2	135.0	132.5	135.6	148.0
Exports:						
United Kingdom.	(3/)	20.8	22.8	25.5	24.1	25.1
Singapore.....	(3/)	1.8	1.8	1.5	1.4	(3/)
Italy.....	(3/)	.8	1.7	1.7	1.0	.4
Other countries	(3/)	3.7	4.1	2.2	2.3	3.8
Total exports	24.6	27.1	30.4	30.9	28.8	29.3

1/ Season begins July 1 and ends June 30. 2/ Calendar year, January-December.
3/ Not available.

Canada

Rising economic levels and an expanding population have increased domestic meat consumption, including variety meats. Exports, declining since 1954, are not expected to increase and may decline further.

At the same time, Canada is becoming more important as a market for U.S. variety meats. Imports from the United States rose from 1.5 million pounds in 1952 to 6.1 million pounds in 1956. Canadian exports to the United States in 1956 were only 2.4 million pounds.

Table 7.--Variety meats: Canadian production and exports by country of destination, annual 1952-57

Country	1952	1953	1954	1955	1956	1957 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	81.3	81.5	89.4	95.0	98.5	91.8
Exports:						
United States...	(2/)	(2/)	(2/)	3.5	2.4	2.1
Netherlands.....	(2/)	(2/)	(2/)	1.4	1.7	1.1
Sweden.....	(2/)	(2/)	(2/)	1.3	1.5	.4
Other countries.	(2/)	(2/)	(2/)	1.2	1.3	2.0
Total exports.	2.5	6.7	9.0	7.4	6.9	5.6

1/ Estimated. 2/ Not available.

Ireland

In relation to Ireland's livestock numbers, variety meat exports are small because most of the slaughter animals produced are exported live; and since 1955, even these limited variety meat exports have been declining. The United Kingdom pays subsidies for slaughter animals, and since subsidies for cattle are larger than those for hogs, exports of pork variety meats constitute more than half of total variety meat exports.

Table 8.--Variety meats: Irish production and exports by country of destination, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	47.4	47.4	58.0	49.9	47.0	1/53.4
Exports:						
United Kingdom..	(2/)	(2/)	8.6	5.8	5.5	6.3
Other countries.	(2/)	(2/)	.4	.2	.3	.3
Total exports.	6.9	6.7	9.0	6.0	5.8	6.6

1/ Estimated. 2/ Not available.

Uruguay

The Uruguayan livestock population has been so depleted in recent years as a result of government policies encouraging crop production and controlling livestock marketing that capacity to produce meat is seriously affected. At least 2 or 3 years will be needed to build back the cattle population to a level that will sustain meat exports at previous levels, and until then, Uruguay will not be an important exporter of variety meats. Before exports practically ceased in 1955, the United Kingdom was Uruguay's biggest market.

Table 9.--Variety meats: Uruguayan production and exports, annual 1952-57

	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	42.3	45.0	38.1	37.4	(1/)	(1/)
Exports.....	5.4	3.4	1.1	.7	(1/)	(1/)

1/ Not available.

Brazil

Brazil's large and steadily expanding cattle numbers and its increasing meat production provide some basis for expecting greater availability of meat and meat products. At the same time, the growing domestic demand for meat products, severe inflation, and rising costs of production tend to limit Brazil's ability to export. The problem of inflation will probably persist well into the future.

A major factor determining the volume of exports is the rate of exchange granted to exporters. Until recently, controlled rates of exchange for edible variety meats and other meat products have been Cr. $67.00 per U.S. $1 for exports for convertible and ACL (area of limited convertibility) currencies, and Cr. $64.28 for exports for other currencies. The current rate being applied to exports to all countries is Cr. $67.00 per U.S. $1. So even though the outlook is for continued increases in production and exportable surpluses, the exchange treatment given exports will be the prime factor determining volume of exports.

IMPORTING COUNTRIES

The largest importers of variety meats are the European countries. In order of importance they are: West Germany, Netherlands, United Kingdom, France, Sweden, Italy, Switzerland, and Sweden.

West Germany

The Federal Republic of Germany is by far the world's largest importer of variety meats. In 1952, its purchases totaled 16.7 million pounds; in 1957, the import figure was over 71 million. Even more pertinent is the fact that 1957 imports represented a gain of 4.8 million pounds over 1956, despite increased production within West Germany, indicating that per capita consumption is rising. West Germany's leading suppliers are the United States, Denmark, the Netherlands, Argentina, Australia, and New Zealand.

Table 10.--Variety meats: West German production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	(1/)	158.8	167.5	178.4	178.4	(1/)
Imports:						
United States...	.1	2.6	10.2	23.5	34.5	33.7
Denmark.....	12.5	24.5	31.4	24.8	23.8	29.1
Netherlands.....	3.0	5.0	6.1	6.0	6.7	(1/)
Other countries.	1.1	4.6	3.0	2.2	1.4	8.4
Total imports.	16.7	36.7	50.7	56.5	66.4	71.2

1/ Not available.

U.S. Position

Currently, West Germany is buying approximately 30 million pounds of U.S. variety meats annually; also, it is the largest importer of U.S. frozen pork livers. But in 1957, the U.S. share of variety meats imported declined by 0.9 million pounds, while the Danish share increased by 5.3 million pounds. At the same time, the U.S. share increased by $700,000 in value, or 12 percent, whereas the Danish share increased by $600,000, or 17 percent. This indicated that as the gap in price between the Danish chilled product and the U.S. frozen product narrowed, preference shifted to the chilled product. Consequently, 1958 may see a further decline in imports from the United States.

Sanitary regulations

U.S. variety meats are handicapped by West Germany's sanitary regulations. These require that all liver glands be intact and not incised, which is contrary to U.S. regulations requiring that beef liver portal glands be incised in postmortem inspection. (Pork liver glands need not be incised.) This has resulted in a high rate of rejections by German veterinary inspectors of U.S. frozen livers. There are practically no rejections of

livers from other exporting countries. Also, at the German import inspection station, frozen livers are thawed overnight, inspected, and refrozen. After being frozen and thawed twice, tissue breakdown and discoloration result.

Competition

Most U.S. livers are processed into liver sausage at a c.i.f. price of about 27 cents a pound. Danish and Dutch chilled livers are imported for about 43 cents a pound and are retailed fresh. Only 25 to 35 percent of the best U.S. liver imports are consumed fresh in West Germany. But with improved inspection in West Germany, and with better selection, packaging, packing and handling in the United States, there is an opportunity for quality U.S. variety meats to move in the fresh trade.

The West German Government does place a tonnage limit on dollar imports to prevent market gluts. This limit is apparently extended as needed, so that imports are not seriously restricted. (The same applies to other foreign markets for U.S. variety meats.)

In general, prices and quality of competing products are comparable with those of U.S. products. However, West Germany--in fact, all of Western Europe--depends on shipments from the United States, since other sources of supply are sometimes inadequate.

The Netherlands

The Netherlands is an important buyer of U.S. variety meats, taking in 1956 over 32 million pounds. The Netherlands, however, is a relatively free market. Dutch merchants act as brokers between other nations, buying in one country to sell to another, using local currencies, and if need be, processing the goods in the Dutch free port.

U.S. frozen variety meats are imported for re-export and as a low-cost replacement for domestic production that is exported. Thus the Netherlands competes with the United States in the West German market where it sells U.S. products as well as Dutch.

The Netherlands Control Board states that approximately 100 percent of imported frozen tongues are reshipped after they have been cooked and canned. Much of this tonnage goes to the United Kingdom. Also, about all of the imported kidneys are exported after processing. Imported frozen livers are mostly used as liver sausage, paste, or in sliced form, some for the export market.

Table 11.--Variety meats: Netherlands production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production 1/.....	.7	.7	.8	.8	.8	(2/)
Imports:						
United States....	---	9.5	21.5	26.3	32.2	(2/)
Other countries..	---	.7	.5	.2	.4	(2/)
Total imports..	---	10.2	22.0	26.5	32.6	(2/)

1/ Estimated at 6.7 percent of total meat production. 2/ Not available.

United Kingdom

The United Kingdom is the largest market for meat in the world, yet it buys only small quantities of variety meats from the United States. The chief reasons are preferential treatment within the Commonwealth and lack of dollars for purchases from the United States. Dollar exchange is a major problem to the United Kingdom, and this, coupled with long-established trade patterns with other producers at low price levels, combines to keep imports from the United States to a minimum.

Table 12.--Variety meats: United Kingdom production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production.....	244.1	242.8	296.5	277.7	301.0	302.4
Imports:						
United States...	1/.2	(2/)	1/.3	1/5.4	1/6.1	1/4.4
Australia.....	10.7	19.7	15.9	22.4	21.1	25.0
New Zealand.....	46.6	31.6	33.2	30.8	33.9	40.7
Argentina.....	22.4	41.8	38.0	47.9	51.6	56.8
Denmark.....	7.8	9.8	5.4	10.7	10.2	10.5
Netherlands.....	2.9	.9	1.0	3.1	4.1	3.4
Ireland.....	5.6	7.4	9.8	7.0	6.9	8.3
Other countries.	8.8	4.8	4.4	6.6	6.5	9.2
Total imports.	105.0	116.0	108.0	133.9	140.4	158.3

1/ Beef variety meats only. 2/ Less than 500,000 pounds.

France

A shortage of foreign exchange restricts French imports too. France employs many devices to balance foreign trade. Currency devaluations tend to decrease imports by increasing their costs. Import quotas are also used, and import duties are high. These measures not only reduce imports but enable France to subsidize its exports of meat products.

Despite these attempts to reduce imports, they have increased steadily since 1955. (Imported pork livers are used in making paté.) In 1956-57, most of the increase came from Argentina because of special trade arrangements with that country. U.S. pork livers are highly competitive in both quality and price, and were dollars available, the U.S. product would be preferred. In 1956, when $400,000 were made available for imports of U.S. pork livers, the allocation was quickly used up.

Table 13.--Variety meats: French production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production 1/.....	30.5	33.6	36.3	36.5	37.6	(2/)
Imports:						
United States.....	(2/)	1.4	2.0	3.3	3.8	3.8
Argentina.....	(2/)	2.6	2.7	4.3	9.7	13.1
Other countries 3/.	(2/)	10.9	9.4	11.1	11.8	12.4
Total imports....	(2/)	14.9	14.1	18.7	25.3	29.3

1/ Estimated at 6.7 percent of total meat production. 2/ Not available. 3/ In declining order of volume: Netherlands, Belgium-Luxembourg, and Denmark.

Sweden

Sweden is a net importer of variety meats. As a dairy and hog-producing country, it exports small quantities of pork variety meats, and imports beef variety meats, mainly livers. More than half of its imports come from the United States. Both imports and consumption are steadily increasing.

Strict sanitary regulations are enforced against salmonella, a form of bacteria sometimes present in meat not properly handled. However, importers generally insure against loss due to rejection at a cost of about 3.75 percent of import value.

Table 14.--Variety meats: Swedish production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production 1/.....	23.5	23.3	24.7	25.6	23.9	24.7
Imports:						
United States.....	(2/)	(2/)	.2	1.4	3.8	3.4
Other countries....	(2/)	(2/)	2.3	1.7	2.1	2.6
Total imports....	(2/)	1.4	2.5	3.1	5.9	6.0

1/ Estimated. 2/ Not available.

Italy

Although Italy is a fairly large consumer of variety meats, the dollar shortage prevents imports of U.S. variety meats. Foreign exchange is controlled.

Table 15.--Variety meats: Italian production and imports by country of origin, annual 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production 1/.....	116.4	120.4	117.2	122.5	136.0	(2/)
Imports:						
Argentina.....	(2/)	2.4	2.9	3.0	(2/)	1.6
Australia.....	(2/)	1.2	.7	2.1	(2/)	.4
Denmark.....	(2/)	.7	.4	4.4	(2/)	5.5
West Germany....	(2/)	1.9	1.1	1.6	(2/)	1.6
Other countries.	(2/)	1.1	1.5	2.2	(2/)	1.0
Total imports.	(2/)	7.3	6.6	13.3	25.5	10.1

1/ Estimated at 6.7 percent of total meat production. 2/ Not available.

Switzerland

Switzerland imports about 2 million pounds of beef tongues, a quarter of a million pounds of pork livers, and limited quantities of other variety meats. Canada is the principal supplier of pork livers, the others come from the United States, Argentina, and neighboring European countries. Imports are increasing as a result of rising per capita consumption of meat.

Switzerland requires that pork importations be limited to countries free of hog cholera and that inspection of carcasses from which livers come must be done by a member of the Swiss Veterinary Service. These requirements preclude any pork imports from the United States.

APPENDIX

Table 16.--U.S. exports compared with foreign exports, 1952-57

Country	1952	1953	1954	1955	1956	1957
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Canada.....	2.5	6.7	9.0	7.2	6.9	4.8
Ireland.....	6.9	6.7	9.0	6.0	5.8	4.4
Denmark.....	29.8	42.6	55.5	56.6	49.5	52.9
Australia.....	24.6	27.1	30.4	30.9	28.8	29.3
New Zealand.....	36.1	30.0	33.6	35.2	42.3	40.3
Uruguay.....	5.4	3.4	1.1	.7	(1/)	(1/)
Argentina.....	29.8	35.8	47.5	57.1	80.2	39.6
United States...	4.3	29.0	45.9	69.5	99.4	91.2
Total.....	139.4	181.3	232.0	263.2	312.9	262.5
U.S. percent of total.....	3.1	16.0	19.8	26.4	31.8	34.7

1/ Not available.

Table 17.--Variety meats: Price ranges and import duties in selected countries, 1957

Country	Type of price	Low point		High point		Import duty
		Product	Price	Product	Price	
			U.S. dol.		U.S. dol.	
New Zealand 1/	Wholesale	Mutton livers	.33	Mutton kidneys	.98	
Uruguay....	do.	Mutton hearts	.09	Mutton kidneys	.47	
Ireland....	do.	Beef hearts	.16	Mutton kidneys	.49	
Denmark....	do.	Beef livers	.34	Beef tongues	.43	
United Kingdom 1/	do.	Beef hearts	.19	Beef livers	.61	20% ad valorem for non-commonwealth countries. Commonwealth countries free.
West Germany...	c.i.f.	Pork kidneys	.13	U.S. pork livers	.27	5-10% ad valorem.
				Danish pork livers	.43	
Sweden.....	do.	Beef kidneys	.20	Sweetbreads	.80	11 cents per lb.
France.....	do.	Pork kidneys	.14	Beef tongues	.30	Temporarily suspended.
Cuba.....	Wholesale	Beef livers	.28	Beef tongues	.60	$5.45 per 100 lbs.
Japan.....	Retail	Beef livers	.25	Beef tongues	.44	
Malaya.....	Wholesale	Pork hearts	.22	Pork tongues	.44	
Philippines	Landed	Beef livers	.42	Beef tongues	.84	12.5% ad valorem.
India.....	Retail	Beef kidneys	.15	Beef tongues	.28	
Belgian-Congo.....	Landed	Beef livers	.29	Beef tongues	.29	
Peru.....	Wholesale	Beef livers & kidneys	.16	Beef livers & kidneys	.35	
Barbados...	Landed	Beef tongues	.60	Calf livers	.88	

1/ Information from Smithfield Market, London.